

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GARRARD COUNTY WATER)	
ASSOCIATION FOR A PERMANENT DEVIATION)	CASE NO. 93-233
FROM WATER STORAGE REQUIREMENTS)	

O R D E R

On June 30, 1993, the Garrard County Water Association, Inc. ("Association") filed an application for a permanent deviation from Commission Regulation 807 KAR 5:066, Section 4(4), which requires that each utility shall maintain water storage to ensure a minimum of one day's supply of its average daily water usage for three small service areas known as Stanford Road, Danville Road, and the Merriwood Subdivision.

On August 2, 1993, the Association filed a copy of a water purchase agreement between the Association and the city of Lancaster.

The Commission, having reviewed the application, the information submitted subsequent thereto, and being otherwise sufficiently advised, finds that:

1. The Association has no storage structures in the Danville Road, Stanford Road, or the Merriwood Subdivision service areas.

2. The water purchase agreement between the Association and the city of Lancaster provides that Lancaster will furnish the Association water in such quantity as may be required for a term of 60 years. The agreement additionally requires that in the event of

an extended shortage of water, or the supply of water available to Lancaster is otherwise diminished over an extended period of time, the supply of water to the Association's customers shall be reduced or diminished in the same ratio or proportion as the supply to Lancaster customers is reduced or diminished.

3. The average daily water usage for the Stanford Road, Danville Road, and Merriwood Subdivision is approximately 55,200 gallons.

4. The city of Lancaster has 872,000 gallons of excess storage capacity.

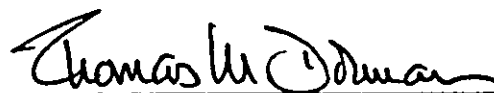
5. The city of Lancaster is willing to provide the Association with needed storage capacity as long as the water purchase agreement remains in effect.

IT IS THEREFORE ORDERED that the Association be and it hereby is granted a deviation from the water storage requirements of 807 KAR 5:066, Section 4(4), for so long as its agreement with the city of Lancaster remains in effect.

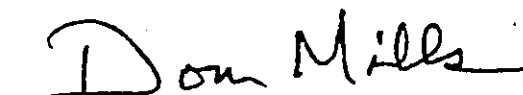
Done at Frankfort, Kentucky, this 13th day of August, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner